



**STATE OF TENNESSEE
DEPARTMENT OF FINANCE AND ADMINISTRATION
STATE CAPITOL
NASHVILLE, TENNESSEE 37243-0285**

**LARRY B. MARTIN
COMMISSIONER**

FOR IMMEDIATE RELEASE
FRIDAY, JULY 11, 2014

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JUNE REVENUES

NASHVILLE, Tenn. – Total tax collections for June were below budgeted expectations. Finance and Administration Commissioner Larry Martin reported today that June ended with a net negative growth of 0.45%, compared to collections in the same month one year ago. Overall June revenues were \$1.2 billion, which is \$67.5 million less than the state budgeted.

“June collections recorded stronger than anticipated sales tax growth, but continued to reflect weaker than anticipated collections from the corporate sector,” Martin said. “We continue to believe the recent up-tick in retail activity is an indication of renewed consumer confidence, and an economy slowly on the mend.” All other tax sources, taken as a group, were below budgeted expectations in June.

“For the remainder of this year, we will continue to closely monitor collections and expenditures.”

On an accrual basis, June is the eleventh month in the 2013-2014 fiscal year.

The general fund was under collected by \$67.6 million, and the four other funds were over collected by \$0.1 million.

Sales tax collections were \$13.5 million more than the estimate for June. The June growth rate was positive 5.54%. For eleven months revenues are under collected by \$15.5 million. The year-to-date growth rate for eleven months was positive 3.57%.

Franchise and excise taxes combined were \$54.1 million below the budgeted estimate of \$383.2 million. The growth rate for June was negative 3.55%. For eleven months revenues are under collected by \$278.3 million and the year-to-date growth rate was negative 8.81%.

Privilege tax collections were \$8.9 million below the June estimate. For eleven months collections are \$23.0 million below the budgeted estimate.

Business tax collections were \$9.0 million less than the June estimate. Year-to-date collections for eleven months are \$10.2 million below the budgeted estimate.

Inheritance and estate tax collections were \$0.7 million below the June estimate. For eleven months collections are \$19.9 million above the budgeted estimate.

Tobacco tax collections were \$6.6 million below the budgeted estimate of \$25.7 million. For eleven months revenues are under collected by \$13.2 million.

Gasoline and motor fuel collections for June were over collected by \$3.1 million. For eleven months revenues are over collected by \$4.8 million.

All other taxes for June were under collected by a net of \$4.8 million.

Year-to-date collections for eleven months were \$289.9 million less than the budgeted estimate. The general fund was under collected by \$303.6 million and the four other funds were over collected by \$13.7 million.

The budgeted revenue estimates for 2013-2014 are based on the State Funding Board's consensus recommendation of December 19, 2012, and adopted by the first session of the 108th General Assembly in April 2013. They are available at <http://www.tn.gov/finance/bud/Revenues.shtml>.

The Funding Board met on December 10, 2013 to hear updated revenue projections from the state's various economists. The board met again on December 17 and adopted revised revenue ranges for 2013-2014. The revised ranges assume an under collection from the July 2013 budgeted estimate in the amount of \$111.2 million to \$134.5 million in total taxes and in the amount of \$126.1 million to \$145.6 million in general fund taxes for the current fiscal year.

Table 1
Revenue Collections by Fund
June
2013-2014

Fund	2014				2013	2014	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
General Fund	\$1,012,510,000	\$1,080,069,000	(\$67,559,000)	-6.26%	\$1,019,735,000	(\$7,225,000)	-0.71%
Highway Fund	58,014,000	59,494,000	(1,480,000)	-2.49%	58,648,000	(634,000)	-1.08%
Sinking Fund	34,401,000	34,437,000	(36,000)	-0.10%	33,608,000	793,000	2.36%
City & County Fund	73,095,000	71,549,000	1,546,000	2.16%	71,365,000	1,730,000	2.42%
Earmarked Fund	2,900,000	2,900,000	0	0.00%	2,900,000	0	0.00%
Total	\$1,180,920,000	\$1,248,449,000	(\$67,529,000)	-5.41%	\$1,186,256,000	(\$5,336,000)	-0.45%

Revenue Collections by Tax
June
2013-2014

Tax Source	2014				2013	2014	
	Actual	Budgeted	B/(W)	Percent		B/(W)	Percent
Franchise & Excise	\$329,108,000	\$383,200,000	(\$54,092,000)	-14.12%	\$341,230,000	(\$12,122,000)	-3.55%
Income	2,124,000	1,517,000	607,000	40.01%	1,858,000	266,000	14.32%
Inheritance & Estate	6,783,000	7,507,000	(724,000)	-9.64%	12,904,000	(6,121,000)	-47.43%
Gasoline	57,020,000	55,759,000	1,261,000	2.26%	54,030,000	2,990,000	5.53%
Petroleum Special	5,789,000	5,771,000	18,000	0.31%	5,511,000	278,000	5.04%
Tobacco	19,168,000	25,722,000	(6,554,000)	-25.48%	25,441,000	(6,273,000)	-24.66%
Beer	1,673,000	1,672,000	1,000	0.06%	1,689,000	(16,000)	-0.95%
Motor Vehicle Registration	16,897,000	21,532,000	(4,635,000)	-21.53%	20,951,000	(4,054,000)	-19.35%
Motor Vehicle Title	563,000	1,209,000	(646,000)	-53.43%	1,082,000	(519,000)	-47.97%
Mixed Drink	7,645,000	6,381,000	1,264,000	19.81%	6,336,000	1,309,000	20.66%
Business	3,669,000	12,703,000	(9,034,000)	-71.12%	13,134,000	(9,465,000)	-72.06%
Privilege	54,175,000	63,085,000	(8,910,000)	-14.12%	58,816,000	(4,641,000)	-7.89%
Gross Receipts	18,000	34,000	(16,000)	-47.06%	35,000	(17,000)	-48.57%
TVA - In Lieu of Tax Payments	27,076,000	28,410,000	(1,334,000)	-4.70%	27,297,000	(221,000)	-0.81%
Alcoholic Beverage	4,933,000	5,044,000	(111,000)	-2.20%	4,825,000	108,000	2.24%
Sales and Use	629,643,000	616,100,000	13,543,000	2.20%	596,580,000	33,063,000	5.54%
Motor Vehicle Fuel	14,338,000	12,474,000	1,864,000	14.94%	14,219,000	119,000	0.84%
Severance	184,000	229,000	(45,000)	-19.65%	275,000	(91,000)	-33.09%
Coin-operated Amusement	113,000	100,000	13,000	13.00%	43,000	70,000	162.79%
Unauthorized Substance	1,000	0	1,000	NA	0	1,000	NA
Total	\$1,180,920,000	\$1,248,449,000	(\$67,529,000)	-5.41%	\$1,186,256,000	(\$5,336,000)	-0.45%

Table 2
Revenue Collections by Fund
Year-to-Date
August - June
2013-2014

Fund	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
General Fund	\$8,986,949,000	\$9,290,520,000	(\$303,571,000)	-3.27%	\$9,000,314,000	(\$13,365,000)	-0.15%
Highway Fund	623,935,000	630,165,000	(6,230,000)	-0.99%	628,219,000	(4,284,000)	-0.68%
Sinking Fund	377,135,000	377,509,000	(374,000)	-0.10%	368,094,000	9,041,000	2.46%
City & County Fund	832,166,000	811,855,000	20,311,000	2.50%	812,953,000	19,213,000	2.36%
Earmarked Fund	31,900,000	31,900,000	0	0.00%	31,899,000	1,000	0.00%
Total	\$10,852,085,000	\$11,141,949,000	(\$289,864,000)	-2.60%	\$10,841,479,000	\$10,606,000	0.10%

Revenue Collections by Tax
Year-to-Date
August - June
2013-2014

Tax Source	2013 - 2014				2012-2013	2013-2014	
	Actual	Budgeted	B/(W)	Percent	Actual	B/(W)	Percent
Franchise & Excise	\$1,786,920,000	\$2,065,200,000	(\$278,280,000)	-13.47%	\$1,959,485,000	(\$172,565,000)	-8.81%
Income	237,822,000	200,809,000	37,013,000	18.43%	261,840,000	(24,018,000)	-9.17%
Inheritance & Estate	97,324,000	77,422,000	19,902,000	25.71%	107,538,000	(10,214,000)	-9.50%
Gasoline	562,287,000	558,234,000	4,053,000	0.73%	558,881,000	3,406,000	0.61%
Petroleum Special	57,689,000	58,163,000	(474,000)	-0.81%	57,252,000	437,000	0.76%
Tobacco	235,116,000	248,353,000	(13,237,000)	-5.33%	251,119,000	(16,003,000)	-6.37%
Beer	16,091,000	16,160,000	(69,000)	-0.43%	16,408,000	(317,000)	-1.93%
Motor Vehicle Registration	232,557,000	235,094,000	(2,537,000)	-1.08%	234,459,000	(1,902,000)	-0.81%
Motor Vehicle Title	10,433,000	11,969,000	(1,536,000)	-12.83%	10,581,000	(148,000)	-1.40%
Mixed Drink	69,723,000	65,850,000	3,873,000	5.88%	63,927,000	5,796,000	9.07%
Business	125,754,000	135,939,000	(10,185,000)	-7.49%	131,601,000	(5,847,000)	-4.44%
Privilege	283,496,000	306,491,000	(22,995,000)	-7.50%	282,959,000	537,000	0.19%
Gross Receipts	12,254,000	15,054,000	(2,800,000)	-18.60%	11,495,000	759,000	6.60%
TVA - In Lieu of Tax Payments	305,029,000	314,290,000	(9,261,000)	-2.95%	310,087,000	(5,058,000)	-1.63%
Alcoholic Beverage	50,773,000	49,962,000	811,000	1.62%	48,534,000	2,239,000	4.61%
Sales and Use	6,619,192,000	6,634,700,000	(15,508,000)	-0.23%	6,391,154,000	228,038,000	3.57%
Motor Vehicle Fuel	147,041,000	145,846,000	1,195,000	0.82%	141,668,000	5,373,000	3.79%
Severance	2,295,000	2,208,000	87,000	3.94%	2,305,000	(10,000)	-0.43%
Coin-operated Amusement	268,000	205,000	63,000	30.73%	182,000	86,000	47.25%
Unauthorized Substance	21,000	0	21,000	NA	4,000	17,000	NA
Total	\$10,852,085,000	\$11,141,949,000	(\$289,864,000)	-2.60%	\$10,841,479,000	\$10,606,000	0.10%